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Venture Capital

General Solicitation: Ready or Not, It's Here

As general solicitation became a reality for companies and funds, controversy came with it in many forms, and final SEC regulations remain tentative until some time later in the next quarter at the earliest. Yet companies are using general solicitation to raise capital.

The SEC has disclosed that over 200 issuers have filed a Form D for a Rule 506(c) offering that allows general solicitation, while no other companies have raised one by issuing a press release declaring their intention. (While a law enforcement conflict is among the conventional SEC proposals, issuers can currently file the Form D 15 days after announcing their offering.) In addition to the SEC data, Dealflow.com has tracked 34 Rule 506(c) filings in the past two weeks.

Early adopters among companies include various private startups, at least two public companies (an organic snack) and more established concerns like LinkedIn and Website Partners, which has already raised \$7 million by other means.

Investment funds have not been quick to choose the general solicitation route, but if Venture Capital announced as the earliest opportunity that it is using general solicitation to raise new funding for one of its vehicles.

Continued on page 14

Deals & Dollars

Over the last two weeks we tracked the announcement of 566 "open" fundraisings for private-label companies worth a total of \$4,052,000 in aggregate value. Here's what the deals announced in our first reporting period Oct. 28 through Nov. 8 reveal about which funding stages drive the most deal activity.

Capital raises raising between \$2.5 million to \$4.5 million accounted for 132 announcements, or 23.3% of the total. Transaction leaders include weekly on-demand services, mobile apps and other consumer discretionary businesses.

Advertisement Deal Activity: We tracked the highest number of deals in the \$400,000-\$500,000 range.

Venture Capital Dealflow Oct 28 to Nov 8

This week's deal table contains data on some 566 "open" financing deals announced during the period from Oct. 28 through Nov. 8. The deals, equity, and otherwise structured financing appear often to raise approximately \$4.4 million.

What is the reporting period? The two-week reporting period corresponds to this week's schedule for publications, which is every other week. So effectively each venture capital investment track private company deal activity from the previous two weeks.

The focus of our deal tracking is on open, or actively-raised venture deals which have not been approved as closed transactions. Our objective is to track private "open" companies as opposed to investment funds.

However, investment managers who do not file with the SEC as "special investment funds" will be tracked in the activity table in this section.

The companies covered in this week's publication comprise a broad range of sectors, ranging from mobile phone app startups to consumer discretionary businesses to investment managers raising \$20 million or more.

Sectors of the data include regulatory filings, media reports and advertisements, investment-related events, etc.

Continued on page 15

The screenshot shows the Dealflow.com website interface. At the top, there's a navigation bar with 'Dealflow.com' and 'Open Placement' buttons. Below that, there's a form for 'Open Placement' with fields for 'Name', 'Email', 'Phone', 'Company', 'Investment Amount', 'Sector', 'Stage', 'Status', and 'Comments'. There are also checkboxes for 'Public Company' and 'Investment Fund'. Below the form, there's a 'Track Dealflow' section with a table of deals. The table has columns for 'Deal Name', 'Deal Type', 'Sector', 'Stage', 'Status', and 'Amount'. Below the table, there's a 'Deal Activity' section with a bar chart showing the number of deals by sector and stage. The chart shows a significant number of deals in the 'Seed' and 'Series A' stages across various sectors like 'Consumer Discretionary', 'Healthcare', and 'Technology'. Below the chart, there's a 'Deal Activity' section with a table of deals, including columns for 'Deal Name', 'Deal Type', 'Sector', 'Stage', 'Status', and 'Amount'. The table shows a list of deals with their respective details.

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